

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE:	}	CHAPTER 11
	}	
TERRESTAR NETWORKS INC., et al.	}	CASE NO. 10-15446 (SHL)
	}	
	}	JOINTLY ADMINISTERED
Reorganized Debtors.	}	

**LIQUIDATING TRUST'S POST-CONFIRMATION
QUARTERLY OPERATING REPORT
FOR THE PERIOD
JANUARY 1, 2014 TO MARCH 31, 2014**

This Quarterly Operating Report has been prepared solely for the purpose of complying with the post-confirmation quarterly reporting requirements established by the United States Trustee. This report contains financial information for the TerreStar Networks Inc. Liquidating Trust and the Reorganized Debtors. The financial information contained herein is limited in scope and covers a limited time period. Moreover, such information is preliminary and unaudited, and is not prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The Liquidating Trustee has not independently verified the information that has been provided by the Reorganized Debtors for inclusion in this report.

Signed:


Matthew Diaz

Print Name

Senior Managing Director

Title

FTI Consulting, Inc. as Liquidating Trustee of the
TerreStar Networks Inc. Liquidating Trust

Liquidating Trustee's Address
and Phone Number:

3 Times Square
10th Floor
New York, NY 10036
Tel.: 212-499-3611

Date:



Liquidating Trustee's Attorneys'
Address and Phone Number

David M. Posner, Esq.
Kevin Zuzolo, Esq.
Otterbourg P.C.
230 Park Avenue
New York, NY 10169
Tel: 212-905-3663

QUESTIONNAIRE		
	YES*	NO
1. Have any assets been sold or transferred outside the normal course of business, or outside the Plan of Reorganization during this reporting period?		X
2. Are any post-confirmation sales or payroll taxes past due?		X
3. Are any amounts owed to post-confirmation creditors/vendors over 90 days delinquent?		X
4. Are the Debtors/Liquidating Trust current on all post-confirmation plan payments?	X	

*If the answer to any of the above questions is "YES," provide a detailed explanation of each item on a separate sheet.

INSURANCE INFORMATION		
	YES	NO*
1. Are real and personal property, vehicle/auto, general liability, fire, theft, worker's compensation, and other necessary insurance coverages in effect?	X	
2. Are all premium payments current?	X	

*If the answer to any of the above questions is "NO," provide a detailed explanation of each item on a separate sheet.

CONFIRMATION OF INSURANCE			
TYPE of POLICY and CARRIER	Period of Coverage	Payment Amount and Frequency	Delinquency Amount
Miscellaneous Professional Liability Insurance Policy for the Liquidating Trustee and the Liquidating Trust Board - Indian Harbor Insurance Company	3/29/2012 - 7/24/2015	\$110,000 (one time premium)	
Directors & Officers Liability Run-Off Policy for the Reorganized Debtors - XL Specialty Insurance Company	3/29/2012 - 3/29/2018	\$100,000 (one time premium)	

DESCRIBE PERTINENT DEVELOPMENTS, EVENTS, AND MATTERS DURING THIS REPORTING PERIOD:
<p>For a description of recent events during the reporting period, please see the Liquidating Trustee's Ninth Post-Confirmation Status Report [Docket No. 1165]</p>

**CHAPTER 11 POST-CONFIRMATION
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE LIQUIDATING TRUST ^{[1][2]}**

Case Name:	TerreStar Networks Inc., <i>et al.</i>
Case Number:	10-15446 (SHL)
Reporting Period:	January 1, 2014 - March 31, 2014

CASH ^[3] (Beginning of Period)

Quarterly	Cumulative Total
\$ 5,242,284.92	\$ 0.00

INCOME or RECEIPTS during the Period

\$ 67,099.14	\$ 31,483,335.56
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DISBURSEMENTS

TerreStar Networks Inc. Liquidating Trust- Case No. 10-15446
TerreStar License Inc. - Case No. 10-15463
TerreStar Networks (Canada) Inc. - Case No. 10-15449

\$ 8,450.00	\$ 18,429,201.50
0.00	7,675,200.00
0.00	78,000.00
\$ 8,450.00	\$ 26,182,401.50

Total Disbursements (Operating & Plan)

CASH ^[3] (End of Period)

\$ 5,300,934.06	\$ 5,300,934.06
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Footnotes:

[1]: The financial information contained herein is presented on a preliminary and unaudited basis and remains subject to future adjustment.

[2]: The cash of the Liquidating Trust is held in a trust account maintained by U.S. Bank (these amounts are in addition to the cash held by the Reorganized Debtors, shown later in this report).

[3]: Includes cash and cash equivalents. The majority of Trust assets are held in mutual funds that hold approximately 100% US Treasury bills and US Treasury coupons.

In re TerreStar Networks Inc. *et al.*
Case No. 10-15446 (SHL)
Reporting Period: January 1, 2014 - March 31, 2014

Schedule of Receipts for the Liquidating Trust

Receipts		Amount
Transfer from the Reorganized Debtors ^[1]		\$ 66,968.44
Interest Income		130.70
	TOTAL	\$ 67,099.14

Footnotes:

[1]: This transfer represents cash previously held in the Debtors' Canadian bank accounts. The difference between the amount received by the Liquidating Trust (\$66,968.44) and the amount transferred from the Reorganized Debtors (\$67,872.25), as shown on page 6 of this report, is due to bank transfer fees and a difference in foreign exchange conversion rates

In re TerreStar Networks Inc. *et al.*
Case No. 10-15446 (SHL)
Reporting Period: January 1, 2014 - March 31, 2014

Schedule of Disbursements for the Liquidating Trust

Disbursements		Amount
Payments to US Trustee ^[1]		8,450.00
	TOTAL	\$ 8,450.00

Footnotes:
[1]: Q4 2014 US Trustee fees

**CHAPTER 11 POST-CONFIRMATION
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE REORGANIZED DEBTORS ^{[1][2]}**

Case Name:	TerreStar Networks Inc., <i>et al.</i>
Case Number:	10-15446 (SHL)
Reporting Period:	January 1, 2014 - March 31, 2014

CASH (Beginning of Period)^[4]

Quarterly	Cumulative Total ^[3]
\$ 1,287,592.30	\$ 35,967,489.21

INCOME or RECEIPTS during the Period

\$ 95.20	\$ 964,274.72
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DISBURSEMENTS (by debtor entity)

TerreStar Networks Inc. - Case No. 10-15446
TerreStar License Inc. - Case No. 10-15463
TerreStar National Services Inc. - Case No. 10-15464
0887729 B.C. Ltd. - Case No. 10-15450
TerreStar Networks (Canada) Inc. - Case No. 10-15449
TerreStar Networks Holdings (Canada) Inc. - Case No. 10-15447

\$ 2,257.93	\$ 3,929,934.42
-	-
-	-
-	-
19,038.33	438,327.34
-	-

Total Disbursements (Operating & Plan)

\$ 21,296.26	\$ 4,368,261.76
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Transfers to Liquidating Trust^[5]

\$ 67,872.25	\$ 31,361,391.65
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Foreign Exchange Conversion^[6]

(3,985.77)	(7,577.31)
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CASH (End of Period)^[7]

\$ 1,194,533.22	\$ 1,194,533.22
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Footnotes:

[1]: The financial information contained herein is presented on a preliminary and unaudited basis and remains subject to future adjustment.

[2]: The cash of the Reorganized Debtors is primarily held in an escrow account maintained by U.S. Bank for the benefit of the Reorganized Debtors and the Liquidating Trust. TerreStar Networks Inc. also maintains an operating account at SunTrust Bank and all funds disbursed by TerreStar Networks Inc. are transferred from the escrow account to the operating account. As funds become available for the Liquidating Trust, the Reorganized Debtors have and will continue to transfer funds from the escrow account to the Liquidating Trust. In addition, TerreStar Networks (Canada) Inc. maintained two bank accounts (both liquidated and closed in February 2014) at Royal Bank of Canada. The TerreStar Networks (Canada) Inc. "exchange account" at Royal Bank of Canada was established to receive funds for operational expenses from TerreStar Networks Inc. in U.S. dollars. The funds from the "exchange account" were exchanged into Canadian dollars and transferred to the TerreStar Networks (Canada) Inc. operating account, which was also maintained by Royal Bank of Canada. The disbursements included herein include funds disbursed from the TerreStar Networks Inc. and TerreStar Networks (Canada) Inc. operating accounts.

[3]: The Cumulative Beginning Cash Balance represents the amount of Cash held by the Reorganized Debtors as of July 1, 2012 for the beginning of the reporting period in which the Liquidating Trust was initially funded.

[4]: Includes combined cash balance of (a) escrow account in the amount of \$1,188,694.03, (b) TerreStar Networks Inc. operating account in the amount of \$8,001.92, (c) TerreStar Networks (Canada) Inc. exchange account in the amount of \$398.27, and (d) TerreStar Networks (Canada) Inc. operating account in the amount of \$90,498.08. The TerreStar Networks (Canada) Inc. operating account contained funds in Canadian dollars. For purposes of this report, the opening balance was converted to US dollars based on the exchange rate as of December 31, 2013.

[5]: Transfer of \$67,872.25 in the current quarterly reporting period is gross of fees associated with the transfer and converted to US dollars based on the exchange rate as of February 26, 2014 (the date of the transfer)

[6]: Adjustment for exchange rate difference between reporting periods

[7]: Includes combined cash balance of (a) escrow account in the amount of \$1,188,781.97 and (b) TerreStar Networks Inc. operating account in the amount of \$5,751.25. Note that the (c) TerreStar Networks (Canada) Inc. exchange account and (d) TerreStar Networks (Canada) Inc. operating account were closed in February 2014 in conjunction with the dissolution of the TerreStar Networks (Canada) Inc. entity. All remaining funds in these two accounts were transferred to the Liquidating Trust on February 26, 2014.

In re TerreStar Networks Inc. *et al.*
Case No. 10-15446 (SHL)
Reporting Period: January 1, 2014 - March 31, 2014

Schedule of Receipts for the Reorganized Debtors

Receipts	Amount
Interest Income (escrow account)	\$ 87.94
Miscellaneous Income	7.26
TOTAL	\$ 95.20

In re TerreStar Networks Inc. *et al.*
Case No. 10-15446 (SHL)
Reporting Period: January 1, 2014 - March 31, 2014

Schedule of Disbursements for the Reorganized Debtors

Disbursements ^[1]		Amount
Payments to Stikeman Elliott LLP ^[2]		\$ 14,349.41
Payment to TerreStar Networks (Canada) Inc. Consultant ^[3]		4,660.14
Payments to Akin Gump Strauss Hauer & Feld ^[4]		495.00
Other Miscellaneous Disbursements		1,791.71
	TOTAL	\$ 21,296.26

Footnotes:

[1]: Obligations paid in Canadian dollars were converted to US dollars as of the February 26, 2014 exchange rate for purposes of preparing this report

[2]: Reorganized Debtors' Canadian Counsel (payment on account of services rendered from November 2013–February 2014)

[3]: Consultant fees in consideration for time spent in connection with the liquidation and dissolution process

[4]: Reorganized Debtors' Counsel